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6 UNITED STATES DISTRICT COURT
7 WESTERN DISTRICT OF WASHINGTON
8 AT SEATTLE

9 IPM, LLC,

10 Plaintiff,

11 v.

12 THE ROBERT & CORI LINEBERGER
13 INTER VIVOS TRUST, *et al.*,

14 Defendants.

Case No. C18-0710RSL

ORDER DENYING MOTION TO
UNDO JOINDER AND
REMANDING CASE

15 Plaintiff sued the other members of a limited liability company, F-19 Holdings,
16 LLC, accusing them, *inter alia*, of cutting plaintiff out of corporate opportunities and
17 converting corporate funds for their personal use. The complaint was filed in state court
18 in January 2018. Plaintiff had difficulties serving defendants and was given leave to do so
19 by publication. By the time service was finally accomplished, F-19 had ceased making
20 distributions and payments to plaintiff, who began drafting an amended complaint in
21 April 2018. Defendant removed the case to federal court on May 16, 2018, and plaintiff
22 filed its amended complaint five days later adding F-19 as a defendant. F-19 has not
23 answered or appeared in this matter. The remaining defendants assert that the joinder of
24 F-19 should be undone under 28 U.S.C. § 1447(e) because it destroys diversity and this
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1 Court's jurisdiction over this case. Having reviewed the memoranda, declarations, and
2 exhibits submitted by the parties, the Court finds as follows:

3 Given the procedural posture of this case and that the proposed amendment would
4 destroy subject matter jurisdiction (see Reid v. The Wailers, 606 F. Supp.2d 627, 630
5 (E.D. Va. 2009)), the correct analytical framework is provided by 28 U.S.C. § 1447(e)
6 (see Milton v. Xerox Corp., 2016 WL 641130, at *2 (W.D. Wash. Feb. 18, 2016)).
7 Pursuant to § 1447(e), "[i]f after removal the plaintiff seeks to join additional defendants
8 whose joinder would destroy subject matter jurisdiction, the court may deny joinder, or
9 permit joinder and remand the action to the State court." Having considered the factors
10 that courts in the Ninth Circuit use to determine whether to grant joinder under § 1447(e)
11 (see IBC Aviation Servs., Inc. v. Campania Mexicana de Aviacion, S.A. de C.V., 125 F.
12 Supp.2d 1008, 1011 (N.D. Cal. 2000)), the Court finds that the balance of the equities and
13 efficiencies favor joinder. A denial of plaintiff's request would deprive it of the ability to
14 obtain all of the relief it is requesting in this lawsuit, forcing it (a) to forego payments
15 from F-19 and its efforts to send the company into receivership or (b) to pursue complete
16 relief in two different lawsuits in two different jurisdictions. Although joinder and remand
17 will undoubtedly delay resolution of this dispute, plaintiff's delay was not extraordinary,
18 the case is still in discovery, defendants waited almost four months to object to the
19 joinder, and the inefficiency of pursuing overlapping relief from the LLC and its members
20 in multiple lawsuits far outweighs any prejudice caused by the relatively short delay that
21 can be attributed to plaintiff.

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1 For all of the foregoing reasons, defendants' motion to deny joinder (Dkt. # 18) is
2 DENIED. The Court lacks jurisdiction over this matter, and the Clerk of Court is directed
3 to remand it to King County Superior Court pursuant to 28 U.S.C. § 1447(e).
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5 Dated this 12th day of October, 2018.
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9 Robert S. Lasnik
10 United States District Judge
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